



CUSTOMER EXPERIENCE MANAGEMENT: AN EMPIRICAL EVIDENCE OF FUNCTIONAL CLUES AND ENGINEERING STUDENT'S LOYALTY

BORISHADE Taiye T, KEHINDE Oladele J., OGUNNAIKE Olaleke, WORLU Rowland E, IYIOLA Oluwole, DIRISU Joy

Covenant University

Dept. of Bus. Mgt.PMB 1023, Ota, Ogun State, Nigeria

ABSTRACT

This paper empirically investigates the influence of functional clues as a strategy of customer experience management on engineering students' loyalty within the context of higher education in Nigeria. The basic purpose of this paper was to examine if the application of marketing strategies can be applied by higher institutions in order to satisfy their student and turn them to advocate of their brands/service. To achieve this objective, a total of 215 copies of the questionnaires were retrieved from engineering student of a private university adjudged to be the best in Nigeria. Multi-stage sampling techniques were employed in this study. Using the Categorical Regression CATREG analysis, the study found that functional clues have positive influence on engineering students' loyalty to the university. Relying on this finding, the study therefore recommended among other things that the university management should adopt customer experience management as a strategy to build student loyalty and also concentrate their efforts on the improvement of functional clues by focusing more on the development of the competences of their lecturers and implement the strategy in order to gain repeat patronage of their students for further studies.

Keyword: Customer, Experience, Functional clues, Student, Loyalty, Higher Education.

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1. INTRODUCTION

A major concern of every student in higher institutions today is the suitability of accurate student centered activities that will enhance the learning outcome of the student. Higher institutions are gradually recognizing higher education as being involved in the offering of services, thereby requiring a better focus on satisfying the needs and expectations of the student (DeShields Jr, Kara & Kaynak, 2005). However, the experiences are different offerings, as distinct from the services just as goods are different from services. Currently, marketers are presumably concerned about the experience era because customers indisputably desire experiences, and greater numbers of organizations are taking actions by explicitly creating and endorsing them. They have come to realize that staging experience is the only way to be at competitive advantage. Presently, the experience factor performs a significant role in determining the accomplishment of an institution's offering and customer experience is a critical differentiator in today's commoditized economy (Palmer, 2010). The student's perception of academic life comprises student experiencing a lot of distinct service offerings which includes teaching quality, learning undertakings and the quality of support service delivery on-campus (Blackmore, Douglas and Barnes, 2006). HEIs are faced with the problems of managing those experiences of their students in this current competitive business environment. Meanwhile, the rising growth of private universities in Nigeria requires institutions to create superior customer experience strategies. Nevertheless, Lemke, Clark and Wilson (2011) inferred that customer experience management is a modern approach that institutions can use to build customer satisfaction and eventual loyalty. To this end, customer experience management strategies are classified into functional clues, humanic clues and mechanic clues (Berry, Wall and Carbone, 2006). However, this study will be focused on the influence of functional clues on engineering student's loyalty. The functional clues are seen as the trustworthiness and competence of services being offered which includes teaching quality, learning activities, curriculum and the quality of support services on-campus. Going by the foregoing, it is significant to concentrate on functional clues as a strategy of customer experience management and student loyalty in the higher educational institutions of Nigeria. Therefore, the hypothesis formulated for this study was:

Ho: Functional clues do not play a significant role in influencing student loyalty in the higher education institution of Nigeria.

2. LITERATURE REVIEW

The Current State of Higher Education Institution In Nigeria

Nigeria has the biggest university structure in Sub-Saharan Africa. The system holds much of the country's research volume and harvests most of its skilful professionals. Though supposedly the obligation of the Federal Ministry of Education, it is controlled by the National Universities Commission (NUC). Currently, the higher education institution of Nigeria consist of 152 universities (40 Federal, 44 State, 68 Private) (NUC, 2017). The higher education institution of Nigeria are anticipated to deliver quality services that will contribute to the development of strong macro-economic and political environment that will result in the growth of the society at large. Presently, the higher education institution are faced with numerous challenges such as the lack of access to quality educational services that have resulted in education tourism; most universities in Nigeria are in poor situations. In the major states, the physical environment or atmosphere of teaching is not conducive for learning. The structure of the buildings are dilapidated and they do not have teaching materials. Universities lack applied or mechanical facilities. Below standard and lack of mechanical facilities make learning becomes theoretical instead of practical. The sustainability of any nation's

development depends on the superior performance of the higher education sector. Therefore, adequate attention must be focused to the ability to build quality, sustain and ensure maximum utilization and implementation of what has been imbedded in it to ensure growth of the system.

The Concept of Customer Experience Management In HEI

Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros and Schlesinger (2009) asserted that over a few decades, the principal tool for creating value in marketing has experienced various paradigm shifts, ranging from developing brands to building outstanding services and at the present to building fascinating customer experiences. Nowadays, the prevailing literature concerning customer experience management in higher education institution is considerably immature. Conventionally, several scholars have concentrated their efforts on business-related services (Sultan & Wong, 2010). On the other hand, it is gradually obvious that institutions functioning in the higher education institution, formerly not considered as “profit-making organisations,” are making attempt to advance in their competitive battle against the competitors (Oldfield & Baron, 2000). Accordingly, higher educational institutions must regard themselves as a “money-making organisation” that is functioning in a competitive marketplace (Oldfield & Baron, 2000). In view of the contemporary economic condition, financial slashes and possible upcoming reductions in student numbers, institution of higher education must recognise that they are profit-making units, contending for capitals and students in the marketplace, both locally and internationally (Paswan, & Ganesh, 2009). This implies that institution of higher education should always look for suitable means of advancing competitive advantage. As a result, the institution of higher education needs to make every effort to deliver a memorable customer experience and satisfy their ‘participating customers’ also termed as students so as to attain sustainable competitive advantage in the service setting (DeShields Jr, Kara & Kaynak, 2005). Finally, institutions of higher education can succeed, provided their students are delivered to some degree, what they desired to purchase, at a value they sensed satisfactory (Brown & Mazzarol, 2009). This establishes the significance of customer experience management in attaining a competitive advantage, while likewise emphasizing the need to have a good knowledge of the role functional clues as a strategy of customer experience management play in higher education institution.

Functional clues

Functional clues is concerned with the superiority of service since they are have to do with the motive why the customer goes to the market (Berry, Wall and Carbone, 2006). For instance, in a university, the clue is concerned about the quality of teaching, the robustness of the curriculum and the swift service operations rendered at different units of the school, that the students relate with. According to Berry, Wall and Carbone (2006). Functional clues are the practical quality of the service. They are regarded as the reason of the service encounter, uncovering the trustworthiness and competency of the service provided. Whatever that shows the practical quality of the offering—its occurrence or non-appearance—is known as functional clue. Functional clues involve endorsing that services will perform accurately what they are anticipated to accomplish in a proficient, consistent and reliable way (Bloch, 2011). When applied to the higher educational institutions, the functional clues include the superiority of the teaching methods, which are the qualities of lecture delivery, the lecturers’ competences, cooperate learning, problem based learning, group discussion, oral presentation in class and seminar or workshop which are centred on student focused activities. The functional clues are furthermore concerned about prompt, precise and proficient performance of relevant responsibilities in addition to swift provision of services from different units where the students relate with (Borishade, Worlu, Kehinde & Ogunnaike, 2017). These may

include services provided from the office of the registrar, finance unit, student health care unit, bookstore and library.

STUDENT LOYALTY

Exhaustive research have recommended that the satisfaction of student significantly influences their loyalty (Brown, Cowles, & Tuten, 1996; Helgesen & Nasset, 2007; Temizer & Turkyilmaz, 2012). Student loyalty can be seen as the affection or unfathomable obligation of student towards the institution (Ogunnaike, Borishade, Sholarin & Odubela, 2014). It shows the student perception on educational services delivered by the institution which may inspire them in the development of the institution in the future (Chitty & Soutar, 2004; Webb, & Jagun, 1997). Though loyalty behaviours encompass different actions, they basically involve three types: Inspiring upcoming student to apply to the university, coming back for further studies in the same university if required and contributing money in cash and in kind to the university (Mavondo & Zaman, 2000). In agreement with other research on student loyalty, this present research concentrated on the loyalty of student, which sees loyalty as manifested by student intent to patronize the educational services of the university yet again or backup the development of the institution. Student loyalty is an objective that is worthy of chasing by higher educational institution because it is “significantly and positively associated with recommending prospective students” (Mavondo & Zaman, 2000). Bolliger and Wasilik (2009) discovered that organisational matters could also have emotional impact on the level of student’s satisfaction. Paswan and Ganesh (2009) asserted that institution of higher education with solid managerial support structures can favourably stimulate students to be brand loyalist to that institution. Helgesen and Nasset (2007) postulate that extraordinary echelons of relationship occur amid student satisfaction and loyalty.

3. METHODOLOGY

To ascertain the influence of functional clues on student loyalty in higher educational sector of Nigeria. The data for this paper is quantitative in nature. The quantitative data consists of the socio-economic characteristics of engineering student sampled as well as their responses on the influence of functional clues as a strategy of customer experience management on student loyalty. The data for this objective were derived from the engineering students of a private university. Data from the engineering students of the university on the influence of functional clues and student loyalty were sourced via the administration of structured questionnaire. The engineering students were deemed fit for the survey because they represent the highest number of students in the university. The questionnaires were administered to them immediately after the lecture hours of the week days. Accidental sampling technique was adopted in administering the questionnaire to the engineering student. Two hundred and fifty (250) copies of questionnaires were dispensed to the engineering student of the private university, and 215 copies of questionnaires representing about 86% were retrieved. The response rate is deemed reasonably high for surveys of this type, and thus regarded satisfactory. It is worthy to note that the help of the lecturers of the department in giving approval to the researcher as well as the administration of the questionnaire contributed to the high response rate achieved in the surveys. The respondents were requested to answer to the statements on a 5-point Likert scale, where 5 = strongly agree, 4 = agree, 3 = undecided, 2 = disagree and 1=strongly disagree. Data were analysed using the categorical regression analysis with optimal scaling technique otherwise regarded as CATREG in SPSS which accommodate nominal and ordinal variables, was used to study the influence of functional clues as a strategy of customer experience management on student loyalty.

4. ANALYSIS OF DATA AND RESULTS

Table 1 Regression Effects of Functional Clues on Student Loyalty In The Higher Education Institution of Nigeria

	Standardized Coefficients		Df	F	Sig.
	Beta	Bootstrap (1000) Est. of Std. Error			
Quality of teaching	.261	.035	3	54.589	.000
Robustness of the curriculum	.258	.034	3	56.213	.000
Swift service operations	.321	.029	1	123.695	.000
The lecturers' competences	.347	.029	3	144.032	.000
R2	.972				
Adj. R2	.971				
F	710.443				
Overall Sig.	.000				

Dependent Variable: Student Loyalty

Predictors: (Constant), QT, RC, SO, LC

Interpretation of Results and Discussions of Findings

Table 1 summarizes the actual outcomes of the CATREG Analysis. From the Table, it can be deduced that there is statistically significant influence in students' loyalty to the institution based on the dimensions of functional clues. The yielded $R^2 = .972$ and $\text{Adj } R^2 = .971$ implies 97.1 percent of the total variance in student loyalty to the university is accounted for by the functional clues. It is evident from the result that the model has $F(10.204) = 710.443$ and $P < 0.000$. This shows that the competences of the lecturers have a main influence on student's loyalty to the university ($\beta = 0.347$, $P < 0.000$), also, the swift service operation significantly influence student loyalty to the university ($B = 0.321$, $P < 0.000$), furthermore, the quality of teaching significant influence student loyalty to the university ($\beta = 0.261$, $P < 0.000$) and finally, the robustness of the curriculum significantly influence the student loyalty to the university ($\beta = 0.258$, $P < 0.000$). This finding agrees with the work of Sarwar, Abbasi, and Pervaiz (2012) who found out that the confidence customers have on the actual service provided is strongly correlated with customer loyalty in Pakistani cellular service companies. Thus, it can be established that student loyalty to the university was significantly dependent on the quality of teaching, robustness of the curriculum, swift service operation and the competences of the lecturers ($P < 0.000$). This implies that functional clues contribute significantly to student loyalty to the university.

4. CONCLUSION AND IMPLICATIONS

Numerous implications emerge from this research for the academia and practitioners. The empirical investigation of customer experience management is very scarce in the arena of marketing both at the individual and organizational levels. Customer experience is a vital determining factor of consumer actions and a key deliberate goal for service organisations (Worlu, Kehinde & Borishade, 2016). Contemporary studies have revealed that organizations that deliver superior customer experience management with customer orientation, enjoy a definite competitive advantage (Worlu, Kehinde & Borishade, 2016). Customer experience

management is a modern approach that institutions can use to build customer satisfaction and eventual loyalty, but there is scarcely any effort in marketing literature, where this strategy is applied to higher educational institution in Nigeria. This present research delivers this development and establishes that superior customer experience management tend to unveil greater level of student loyalty. This study considered the influence of functional clues on student loyalty. The functional clues were measured through the quality of teaching, robustness of the curriculum, swift service operation and the competences of the lecturers. The competences of the lecturers were found to be the most significant drivers of student loyalty to the institution. Thus, it was recommended that the university management should adopt customer experience management as a strategy to build student loyalty and also concentrate their efforts on the improvement of functional clues by focusing more on the development of the competences of their lecturers and implement the strategy in order to gain repeat patronage of their students for further studies.

FUTURE RESEARCH

In order to have good grasp of the sophistication of customer experience management variables as they relate to building student loyalty, the researcher recommends that this study be replicated in other sectors of the Nigerian economy. Further studies in this area should also consider the other variables of the CEM such as mechanic clues and humanic clues in building student loyalty in higher education institutions

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